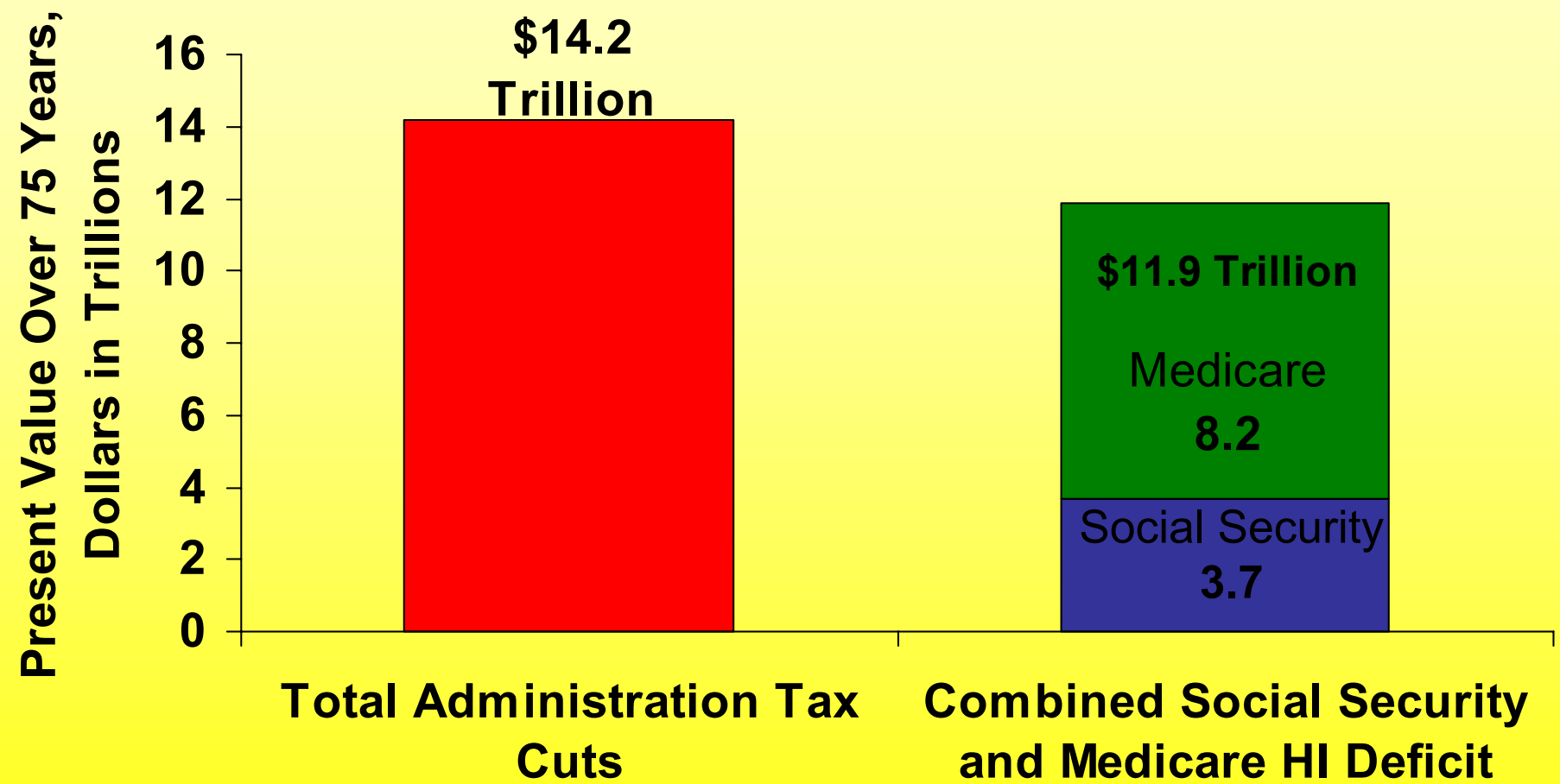
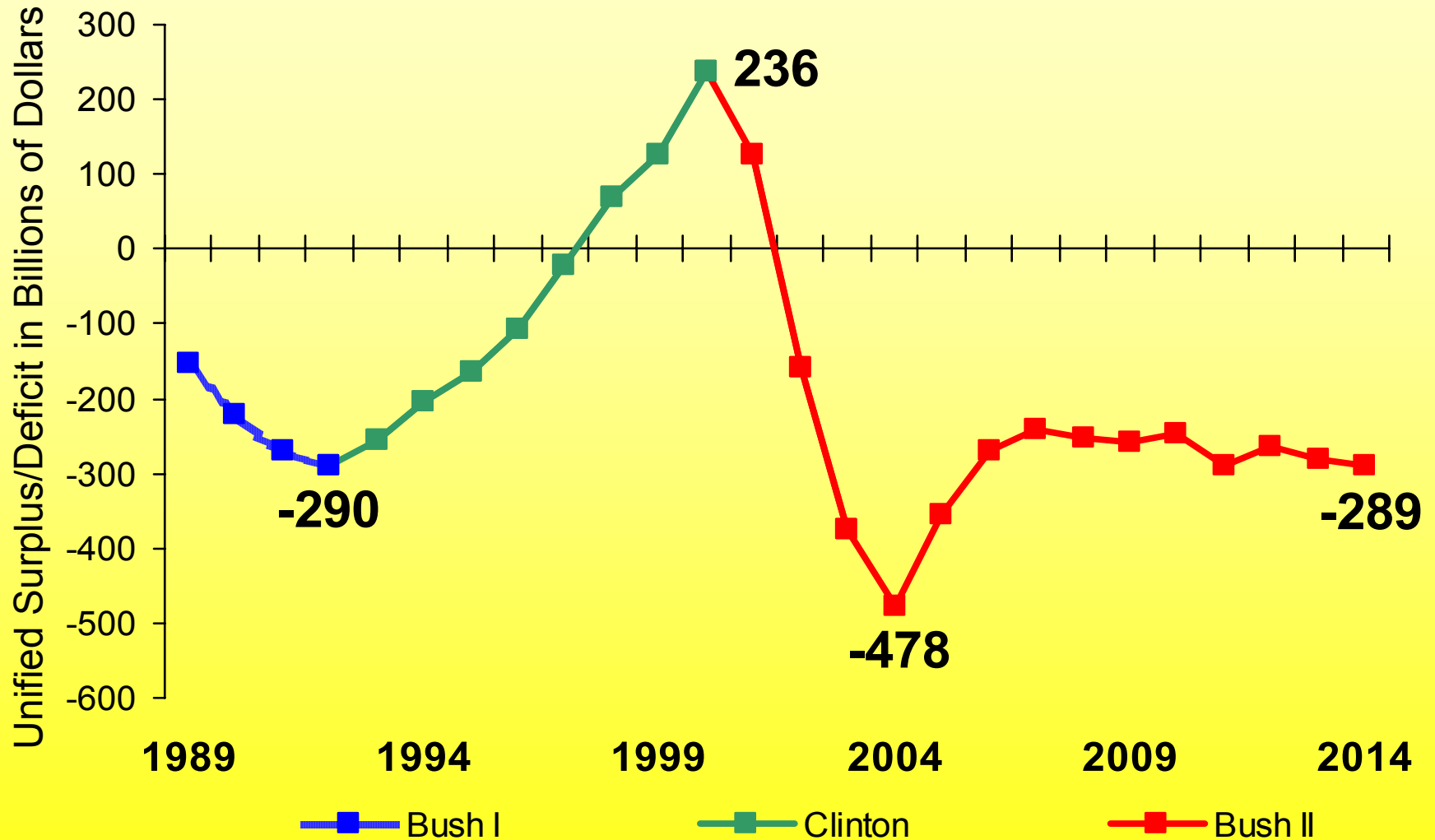


Tax Cuts Larger than Social Security and Medicare Deficit Combined

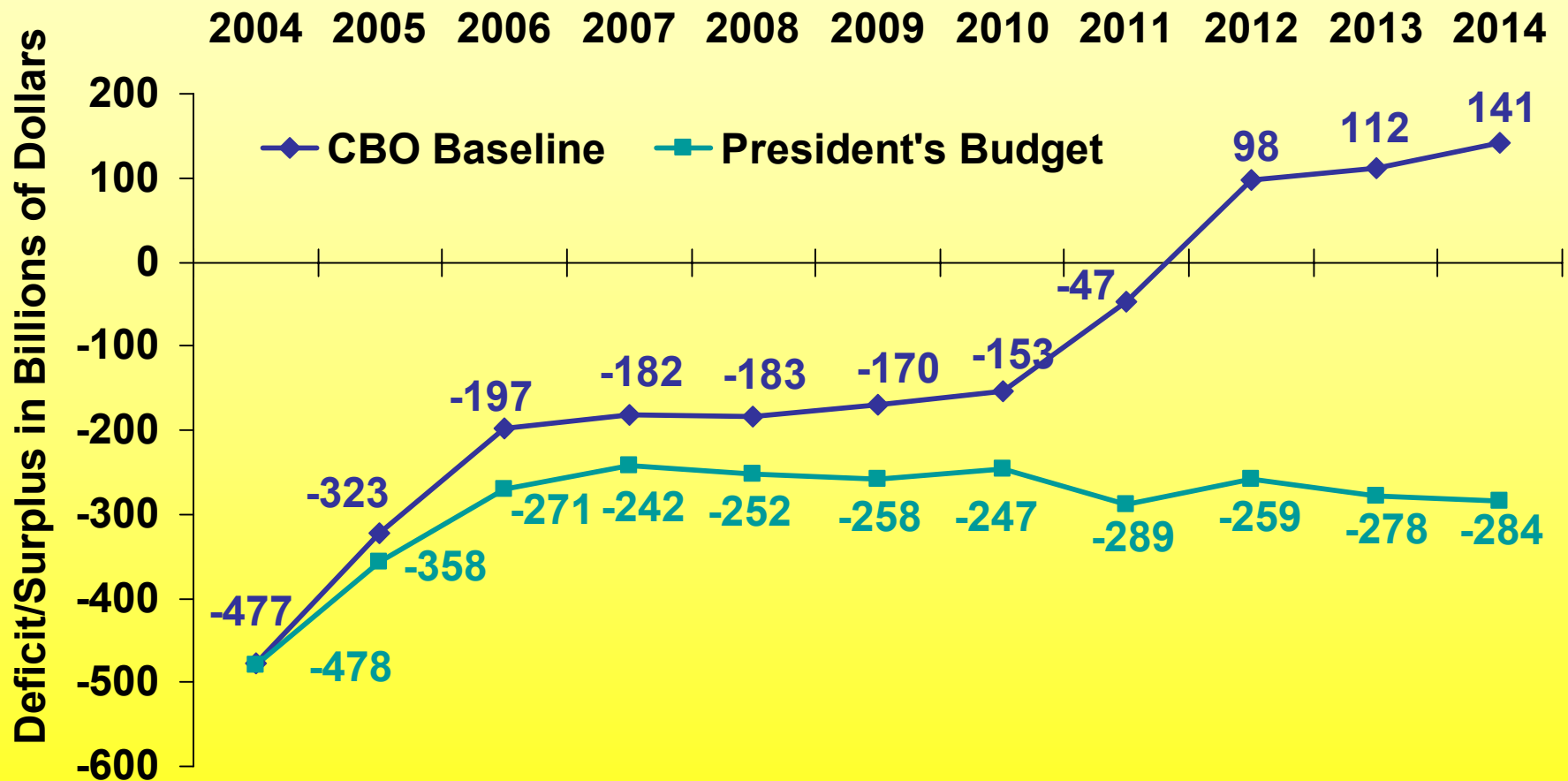


Backsliding Into the Deficit Ditch

From Deficit to Surplus to Deficit Again



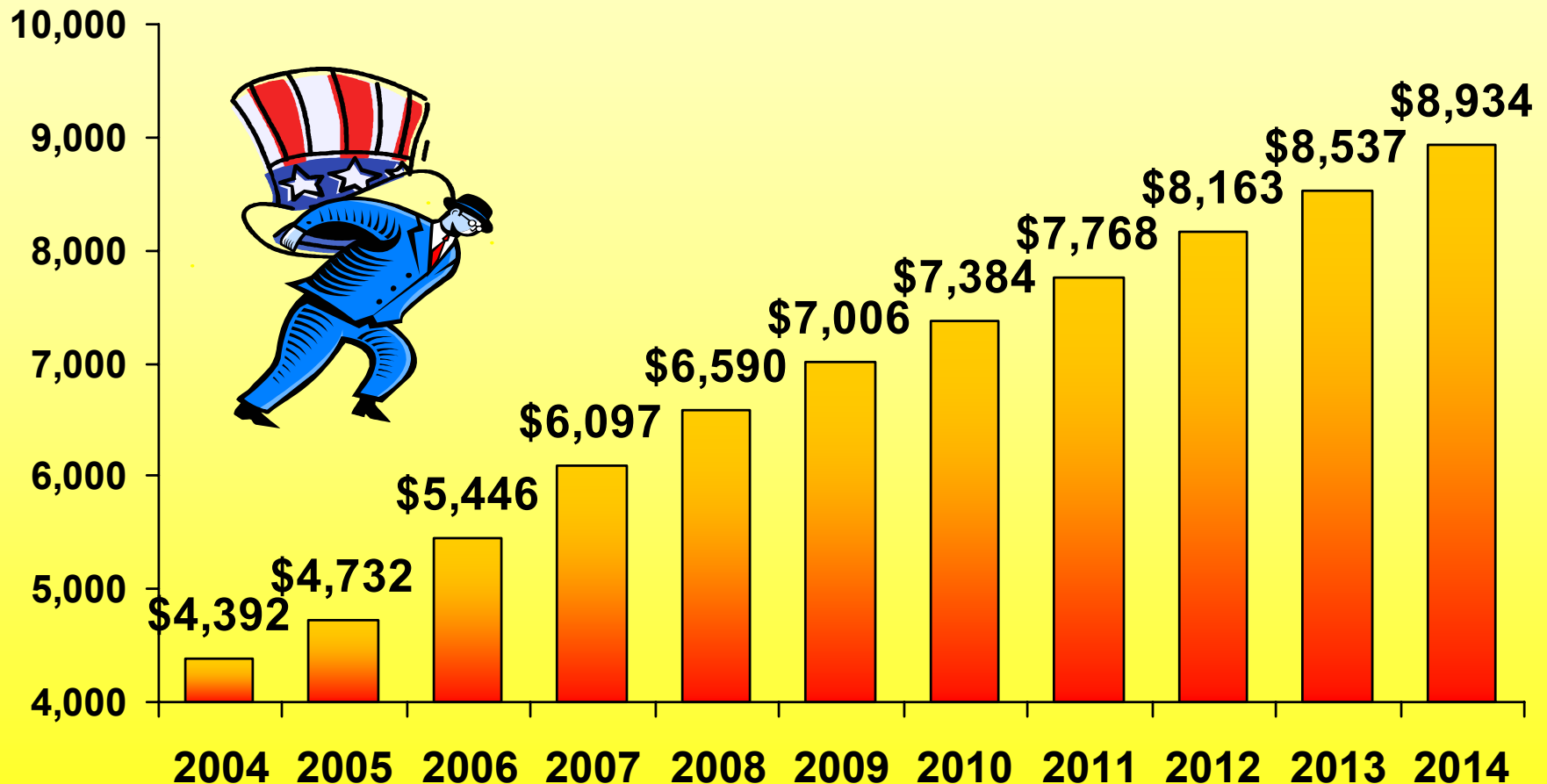
Republican Tax Cuts Prevent Budget Balance



Baseline Amounts Assume 2004 Supplemental Does Not Repeat in 2005 and Beyond

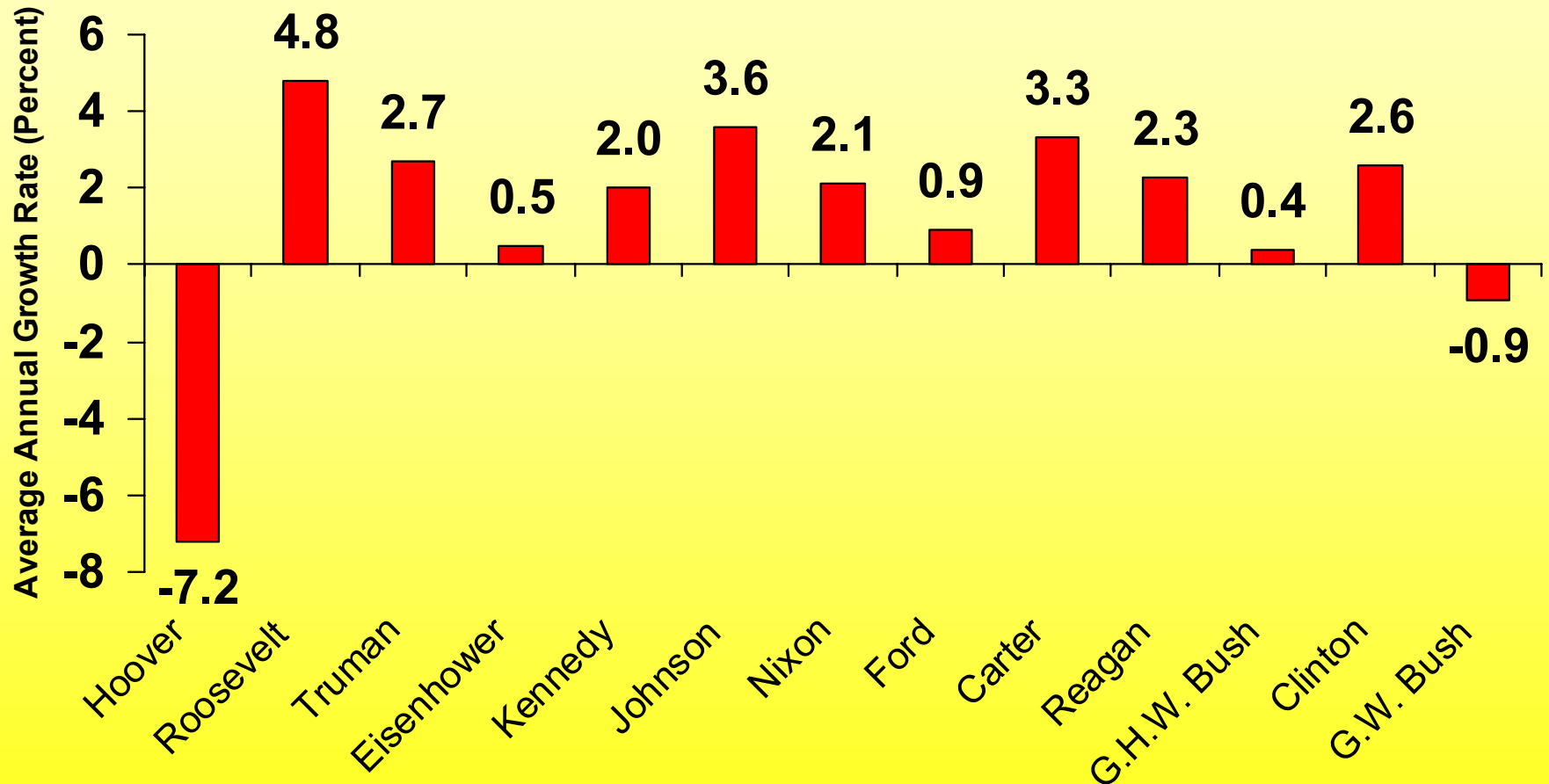
Bush Budget Raises the Debt Tax

Federal Gross Interest per Family of Four

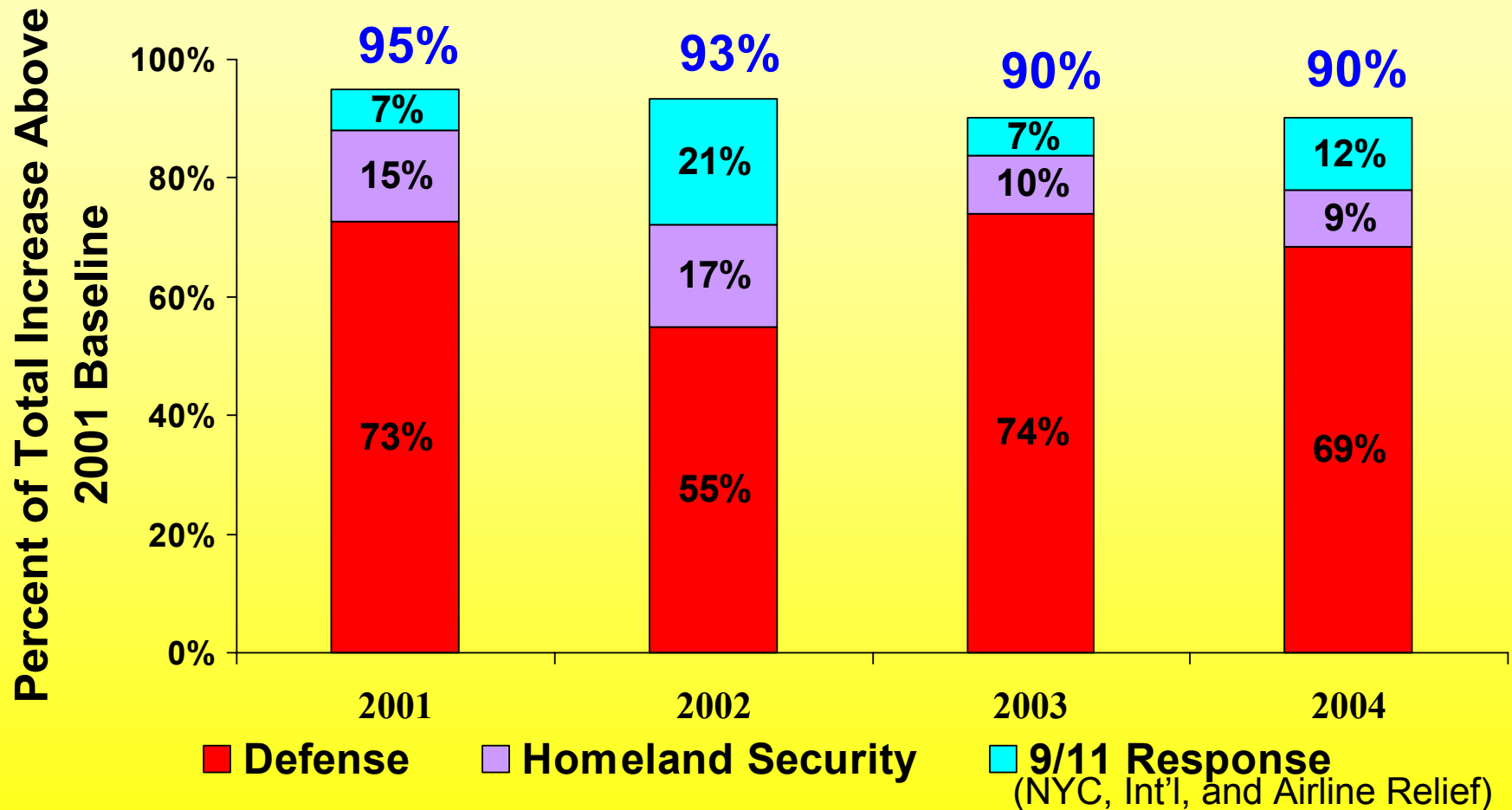


Worst Private-Sector Job Growth Since the Hoover Administration

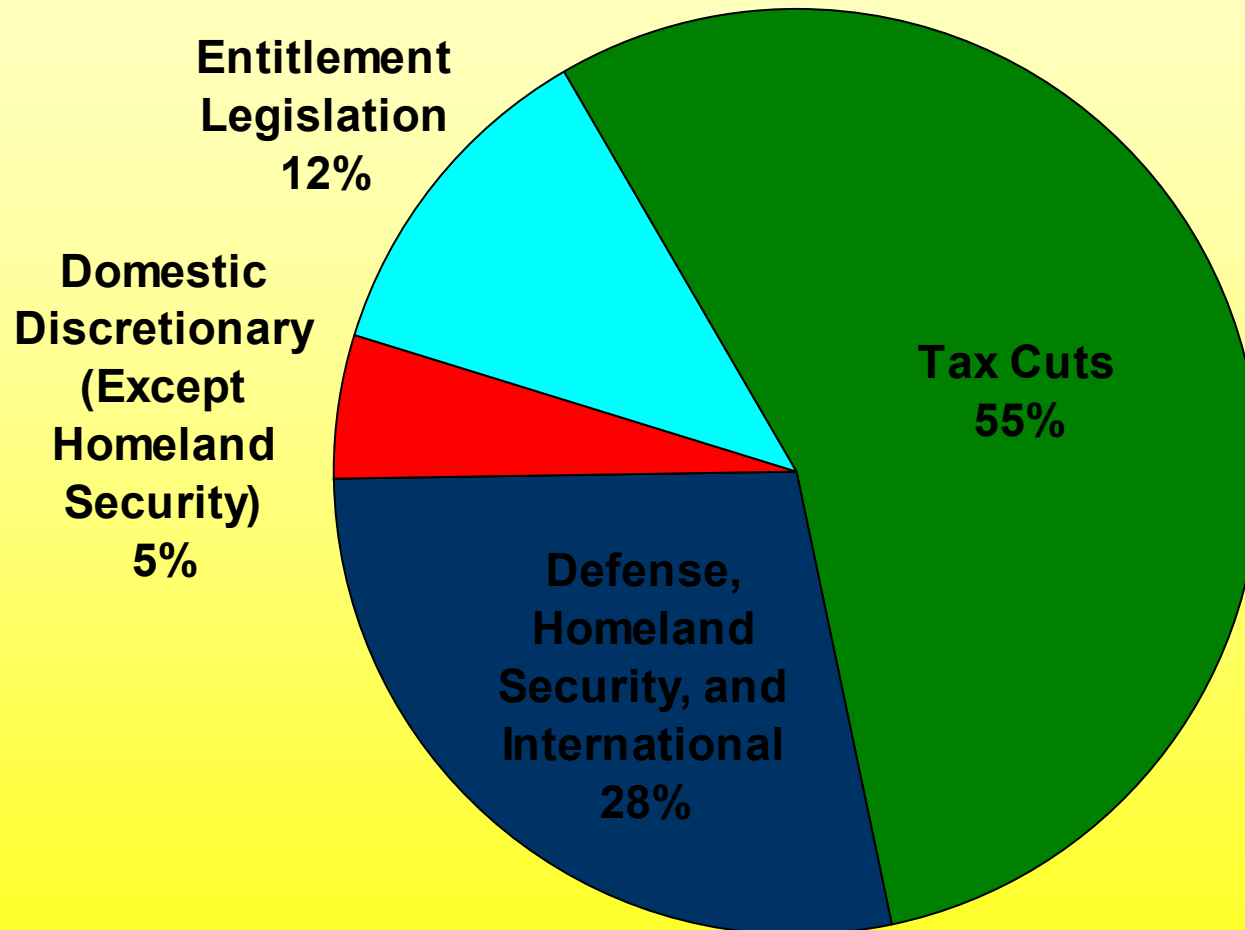
Change in Private Nonfarm Employment



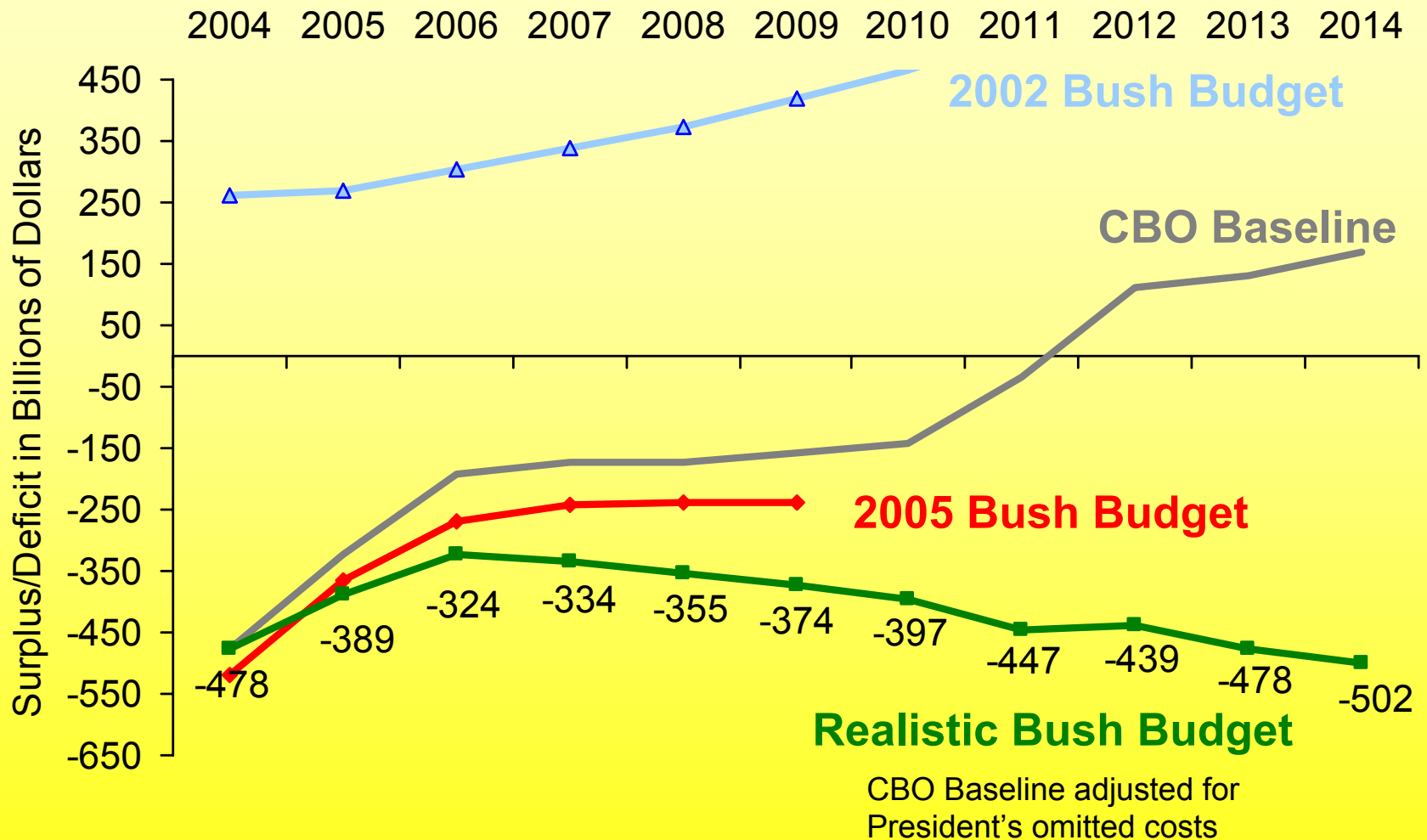
Defense, Homeland Security, and 9/11 Response Account for At Least 90 Percent of Funding Increases



In 2003, Tax Cuts Accounted for the Majority of the Cost of Legislation Passed Since 2001



More Accurate Estimate Shows Even Bleaker Budget Outlook



The \$3.8 Trillion Tax Agenda

President's Tax Proposals: Enacted, Proposed, and Hidden

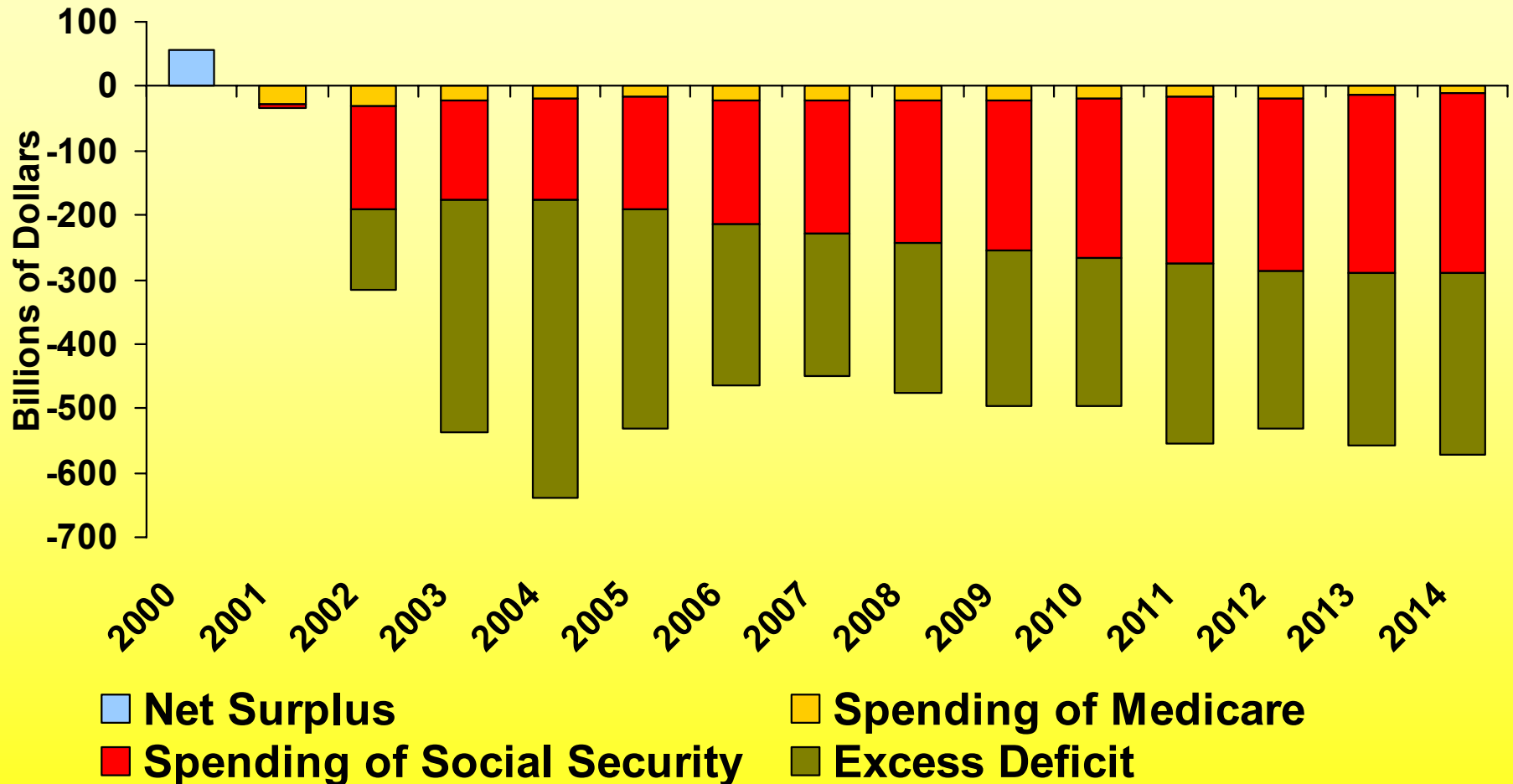
Trillions of Dollars	<u>2005-2014</u>
2001 Tax Cut	1.042
2002 Stimulus	-0.070
2003 Tax Cut	0.135
Make Above Tax Cuts Permanent	1.233
AMT	0.549
New Tax Proposals in 2005 Budget	0.163
Subtotal	3.051
Corresponding Debt Service	0.722
TOTAL TAX AGENDA	\$3.773

Source: CBO and Joint Committee on Taxation, AMT includes interaction with EGTRRA/JGTRRA permanence

New Tax Proposals are OMB estimates, do not include AMT

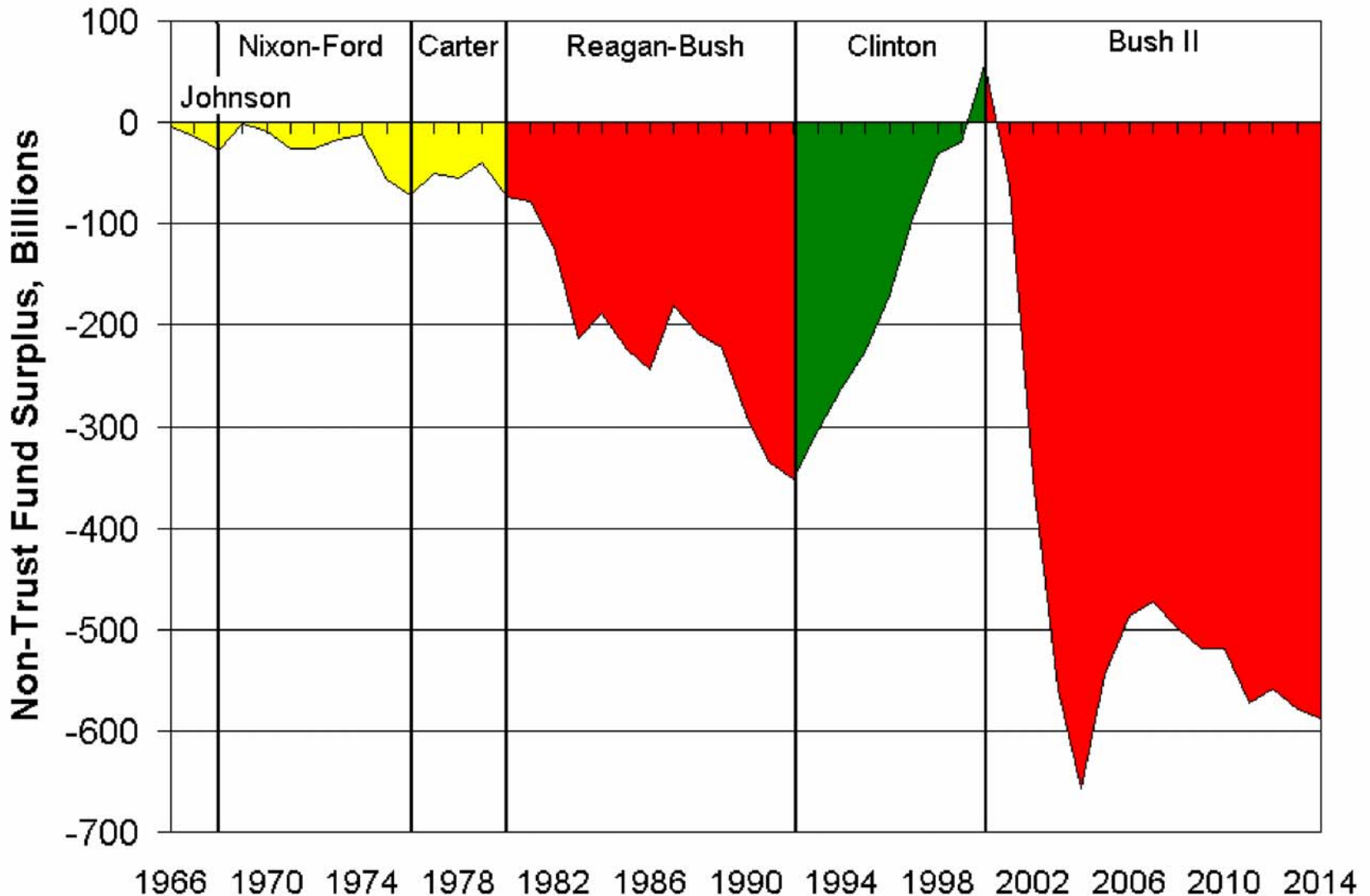
Updated 3/10/04

President's Policies Spend Social Security and Medicare

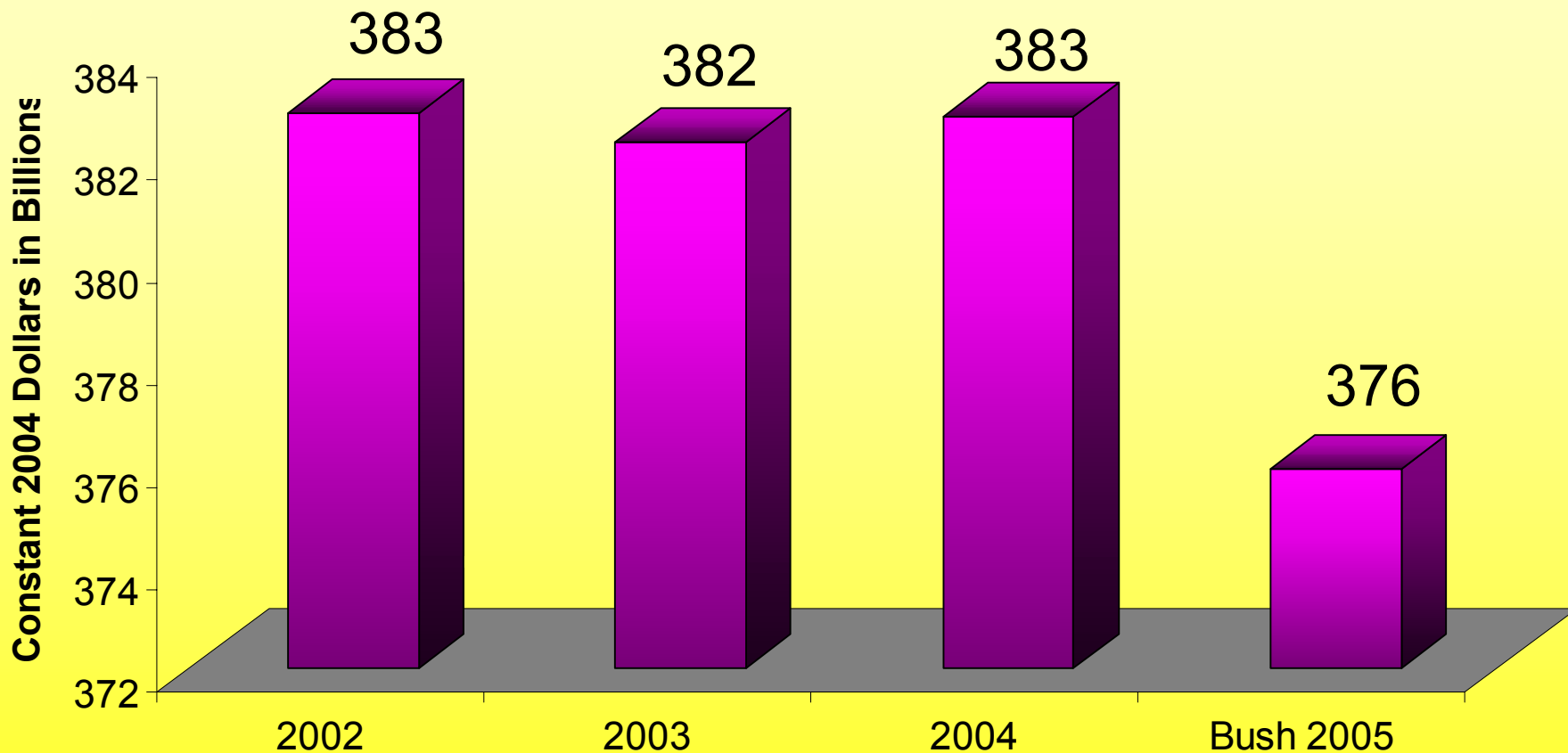


A Fiscal Opportunity Lost

Total Surplus or Deficit without Social Security or Medicare Trust Fund Surpluses

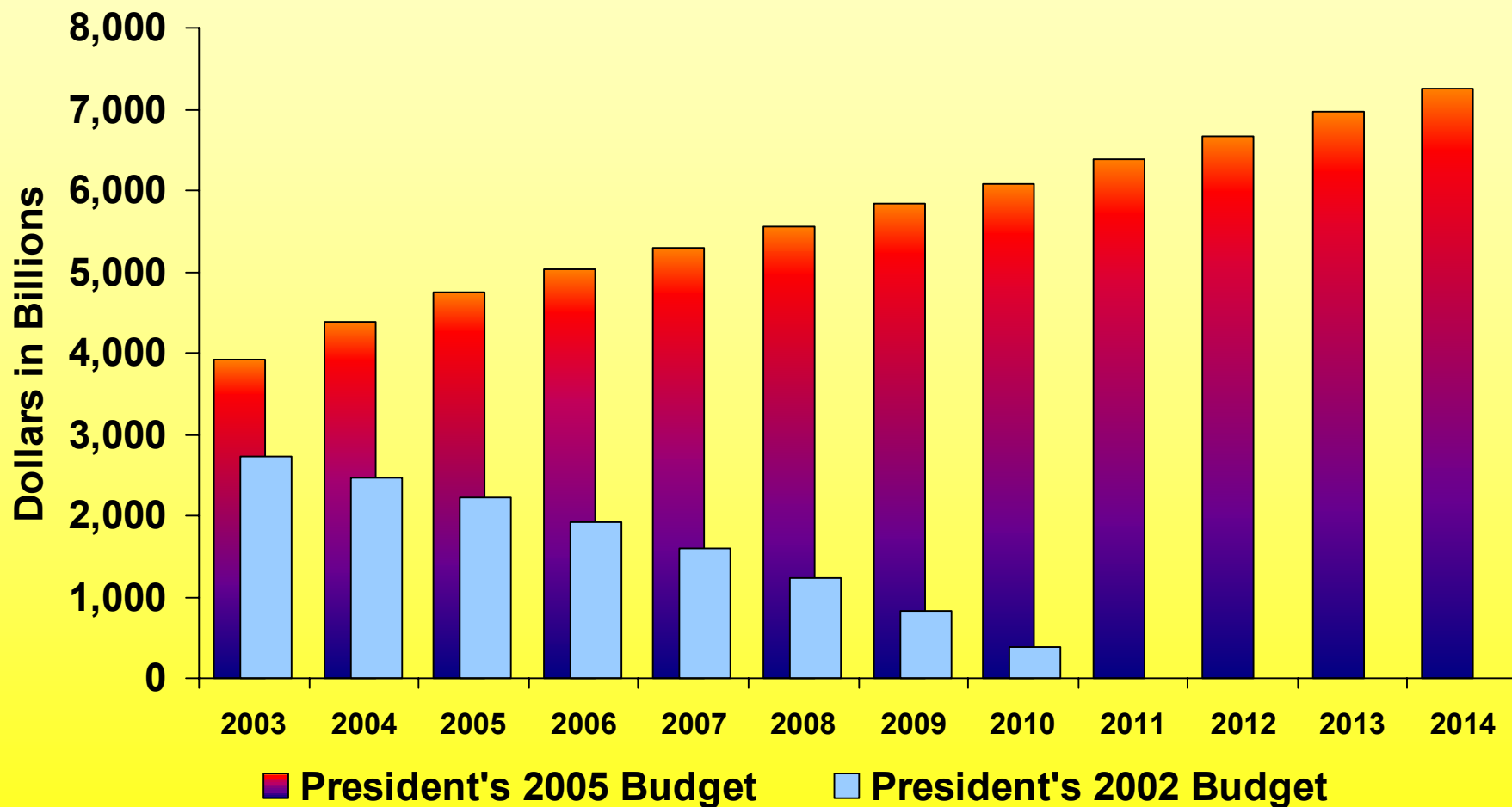


Domestic Resources Frozen for Three Years, Cut in 2005

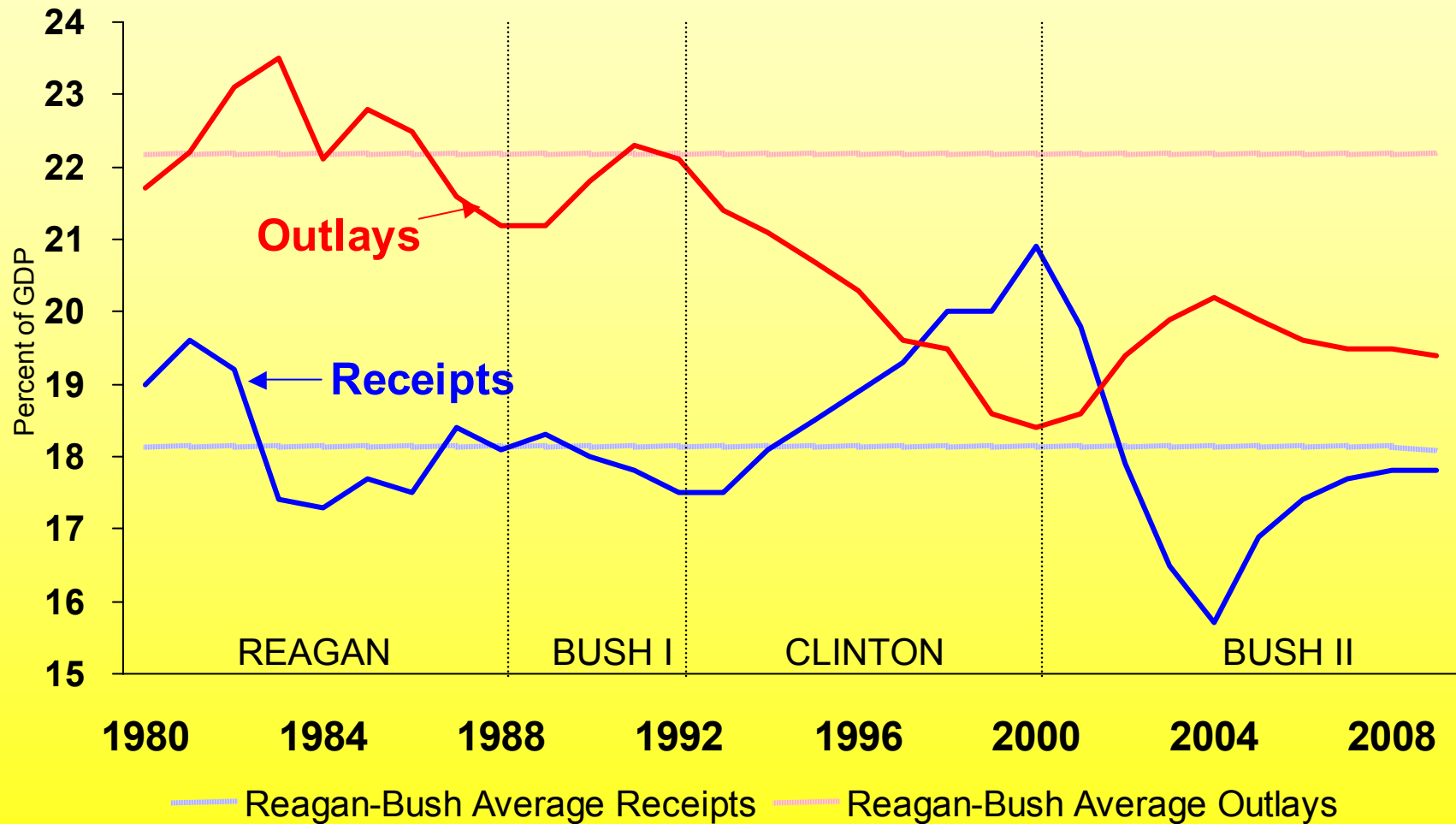


Domestic Non-Homeland Security Resources

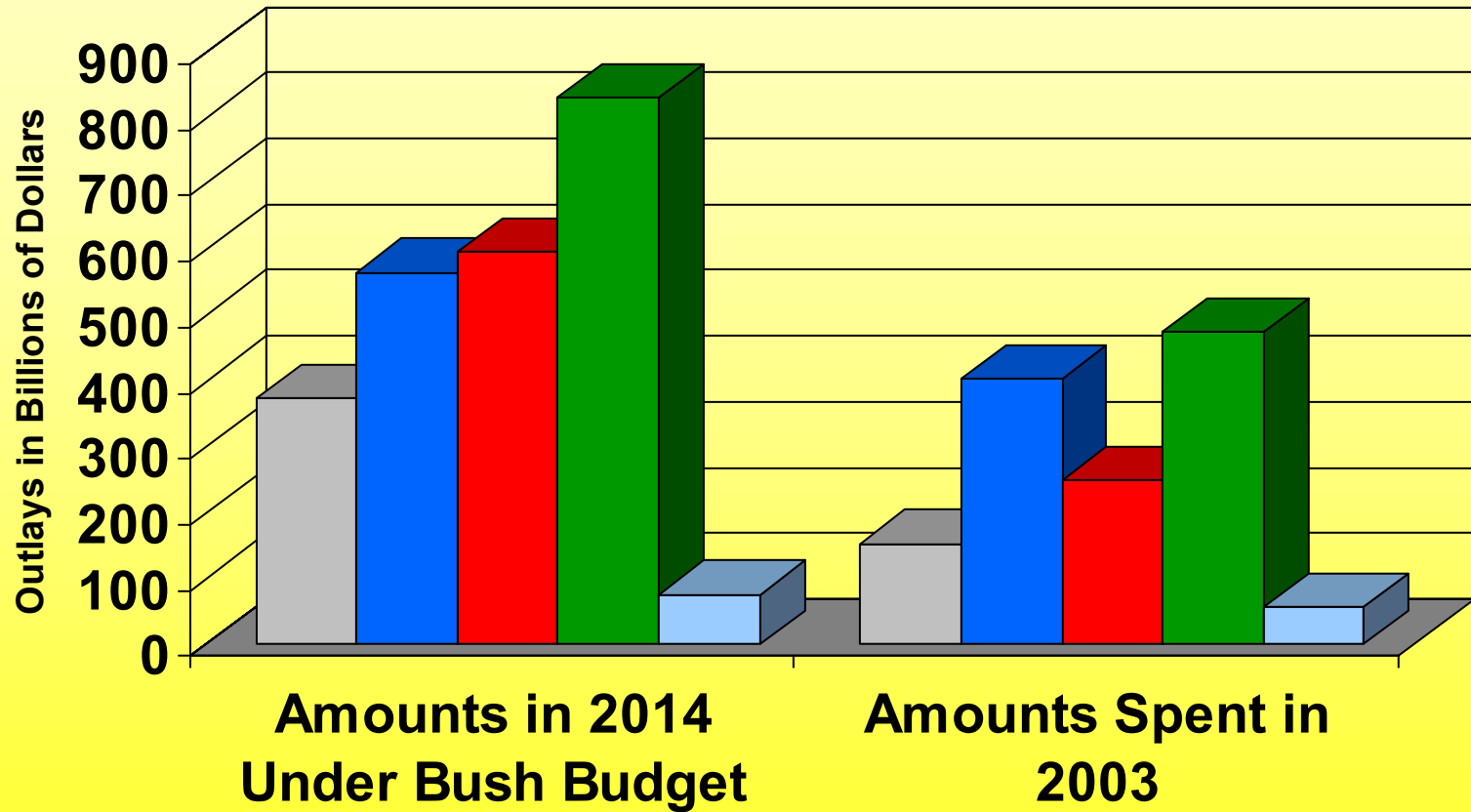
Contrary to 2001 Estimates, Bush Policies *Increase* National Debt



Receipts Are Way Down; Spending Remains Low



Interest Payments: Wasted Resources Unavailable For Other Purposes



■ Net Interest ■ Defense ■ Medicare ■ Social Security ■ Veterans